

MONTHLY REPORT  
CROP AND BUSINESS CONDITIONS IN THE NINTH  
FEDERAL RESERVE DISTRICT

DEC 5 - 1918

April

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EVERY COUNTY IN THE NINTH FEDERAL RESERVE DISTRICT HAS OVERSUBSCRIBED ITS OFFICIAL QUOTA FOR THE THIRD LIBERTY LOAN AND IN VERY MANY COUNTIES THE AMOUNT OF THE OVER-SUBSCRIPTION IS LARGE. MANY CITIES AND LOCALITIES HAVE DOUBLED THEIR OFFICIAL ALLOTMENT. THE OFFICIAL DETAILS ARE NOW BEING COMPLETED AND WHILE NOT YET COMPLETE WILL SHOW A TOTAL OVERSUBSCRIPTION FOR THE DISTRICT OF AT LEAST 40 PERCENT AND POSSIBLY 50 PERCENT.

May 1st, 1918.

The Ninth District's answer to the Kaiser's desperate drive on the western front has been a double offensive far behind the lines on the farms and ranches of the Northwest. As county after county in the purely farming sections has reported the heavy oversubscription of its Liberty Loan quota, and as the district as a whole has been piling up a surprising margin over its official allotment, reports have likewise been coming in which indicate that there is not a locality that has not joined in the heavy drive for a record production of crops and food stuffs.

A Montana ranchman writes that he made up his mind last fall to turn off one million pounds of prime beef as his contribution to food production for 1918, and that he is going to make the figure he has set. Organized work is in progress among the stockmen to increase the state's output of marketable live stock, and efforts are being made to put cattle into the hands of all the small farmers who are qualified and equipped to feed and finish them.

Districts in eastern South Dakota, southern Minnesota and Wisconsin that for many years have paid comparatively little attention to the bread crop, are going in heavily for wheat and will add substantially to the district's production this year. Farmers have welcomed the very favorable weather of the past ten days and have crowded flax planting to a point far beyond any expectations 30 days ago. The western half of the district has broken an unusual amount of new land, and is working from daylight until dark to get it into crop. South Dakota and southern Minnesota, both of which were expected to show decreases in corn acreages, will plant more heavily than has been anticipated, and some localities, at least, will be able to bring the acreage up to very near a normal point in spite of the seed shortage. In every part of the district a fine spirit of loyalty is being shown by the farming population, and the expression is everywhere heard that, "We must back up the boys with the biggest crops that have ever been planted."

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Such a spirit on the part of the farmers is far more important than is ordinarily realized. They represent an immense army of trained specialists in food production. Their strength is equivalent to 23 German army divisions, or approximately 451,000 men, for the district as a whole. Their farms embrace 113,928,000 acres, of which 70,000,000 acres may be considered as improved land which will be devoted in very large part to crop production this year. They are financially fortified with the active and vigorous support of nearly 4000 banks and the weak spots have been bolstered up by numerous county seed bond issues, the proceeds of which are available to stimulate crop production, but which from present indications will be utilized only in part and only where it is necessary to supplement the existing banking facilities.

Considering the farm help that is represented by those under employment and by the members of the farmer's immediate family, it is very safe to estimate that the onslaught of the Kaiser's shock troops on the western front will be answered this year in the Northwestern states by the drive of at least forty divisions that are devoting themselves to providing wheat and other small grains, corn, forage, live stock, wool, dairy products, poultry, and garden products for the support of the fighting forces at the front, as a contribution to our Allies, and to create a safe margin of food stuffs for the population at home.

The reports by states are very encouraging. Montana has had very favorable weather for spring wheat planting, and the grain has gone in fully 6 weeks ahead of last year. Over the eastern half of the state winter wheat acreage is increased approximately 30%, with less than 10% winter killed, while spring wheat may show an increase as great as 40%. A large amount of flax has been planted on new breaking. Rains and some snow during the past ten days have been very beneficial and moisture conditions are excellent. The prospect for a record breaking production is such that representative Montana men are now in New York in consultation with the Federal Grain Corporation regarding the financing and transportation of what promises to be much the largest crop the state has ever raised. The live stock outlook is good and wool is beginning to move at phenomenally high prices.

Western North Dakota, which was hard hit by the crop failure last year, has plenty of moisture, and the outlook could hardly be better. In the portions where winter wheat is grown, the increase in acreage is approximately 30 per cent. In the western part of the state many localities show an increase in spring wheat planting of 20 percent. Rye, barley and oats will be normal crops. Flax will fall short of an average year. Taking the eastern half of the state as a whole, the increase in spring wheat will be at least 8 percent and possibly 10 percent. The outlook in the eastern half of the state is excellent. Timely rains have put the rye crop in first class condition. The seeding of oats has been practically completed and barley seeding is more than half finished.

Small grain throughout the eastern half of South Dakota is virtually all under ground, and was sown under very favorable conditions. General rains came just in time to benefit the seed and have put the ground in excellent shape for corn planting. Crop conditions everywhere are extremely favorable.

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The acreage of small grains, will probably not be much increased over previous years. The corn growing section of the state will experience some reduction in acreage, but the difference will be offset by wheat. A reliable authority reporting from Aberdeen estimates the increase in the wheat acreage at 15%, the increase in rye at 18%, the decrease of barley 5%, and oats 10%.

In both North and South Dakota, and over a considerable part of Minnesota, the new wheat crop is beginning to appear above ground, and presents a very favorable appearance.

The Minnesota side of the Red River Valley will show about 10% increase in wheat, with excellent moisture conditions. There has been a large planting of other crops. In the Fergus Falls district, the wheat acreage has increased approximately 25%, and in other parts of the west central section, there are likewise reports of a substantial increase in wheat planting. Southern Minnesota is taking up wheat as a war crop, and the planting of small grains over the state as a whole is at least 90% completed.

Wisconsin has followed the same course, and the reports from every portion of that state indicate an excellent outlook with good moisture conditions and promise of large production.

That business is going to continue good during wartime is now generally conceded by most of those in the merchandising business. At the same time the character of retail trade has shown some change and some rather unusual fluctuations. There is more evidence of the disposition to curtail purchases on the part of the so-called well-to-do than among other classes of buyers, but as a general rule such curtailment as has occurred in the purchase of luxuries and the more expensive goods, has been offset by the appearance of new buyers, and it is very evident that there is a substantial element that while enjoying an improved income is likewise enjoying the opportunity of purchasing more freely than before. In the larger centers, the volume of retail sales is holding up well as compared with an average year, and trade is good at country points, although collections have been in some instances rather slow.

Retail trade everywhere is handicapped by the difficulty in obtaining a selection of goods and materials, and shipments from mills and eastern markets have been considerably delayed. Some classes of goods show a marked shortage, which has added to the difficulty of maintaining stocks.

Interest rates have changed very little during the past 30 days. Money at the larger centers is firm at 6% on commercial loans. The demand is good and financial conditions are normal except as to burdens created by the war loan and the financing of impending payments. Banks over the district are in sound condition and well able to meet any emergencies that may arise.

A shrewd financial observer epitomizes the situation in his statement that, "Banking conditions are sound and the situation is entirely favorable excepting that banks and bankers everywhere are having to adapt themselves to war conditions and are meeting a host of small problems that do not arise in the ordinary conduct of business."



The wise and natural conservatism that might be expected in war time is being shown by those interested in construction and new projects. At the same time necessary structures are being built as they are demanded and facilities actually needed for the conduct of business are not being deferred. It is probable that the year will show an appreciable reduction in the volume and cost of public improvements of every sort, which slowing down process is being encouraged by the Capital Issues Committee and its Sub-Committee for the Ninth District. The view of the latter committee is that improvements not actually necessary in order to prevent a menace to public health or welfare should be avoided for the present in order to conserve funds, labor and material for the assistance of the Government.

It has expressed the view that road building programs should be reduced, and that only the projects that are of military assistance should be favored. Many questions have arisen with reference to school construction, upon which the committee has taken the position that where school facilities are sufficient to handle the demands of the school population, even at the expense of some inconvenience, that they should not be extended at this time.

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